

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

CLASSIFICATION AND FEES FOR WEIGHT-AVERAGED
NONLETTER-SIZE BUSINESS REPLY MAIL, 1999

Docket No. MC99-2

STATUS REPORT CONCERNING SETTLEMENT NEGOTIATIONS
(May 25, 1999)

The United States Postal Service hereby responds to Presiding Officer's Ruling No. MC99-2/3 (May 18, 1999), which requests a statement regarding the possibility of settlement in this proceeding.

A proposed Stipulation and Agreement has been circulated among the parties in Docket No. MC99-2 for the purpose of resolving all issues raised by the Postal Service's request. That Stipulation and Agreement proposes that the Commission recommend the permanent classification and fees for weight-averaged nonletter-size Business Reply Mail requested by the Postal Service.

The Postal Service is authorized to indicate that all of the full participants in this proceeding have expressed their support for the Stipulation and Agreement. With respect to the limited participators, the Postal Service is able to report that, with one exception, all have indicated either that they support the proposed Stipulation and Agreement or that they are not opposed to it. The remaining limited participator has yet to express a position, but is expected to be heard from soon.

The Postal Service has begun to collect signatures from the parties and, on or before June 1, 1999, will file a motion requesting that the Commission consider the proposed Stipulation and Agreement.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

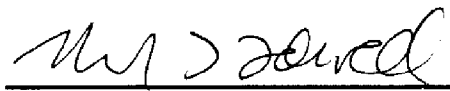


Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
May 25, 1999
(Tel: (202) 268-2998 / FAX: -5402)

CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading has been mailed today to each party of record in this proceeding in accordance with Rule 12 of the Commission's Rules of Practice and Procedure.



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
May 25, 1999
(Tel: (202) 268-2998 / FAX: -5402)